

**REVENUE AND FISCAL AFFAIRS
BOARD MEETING
FEBRUARY 15, 2022**



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
Transforming data into solutions for South Carolina

ADOPTION OF MEETING MINUTES

AGENCY MATTERS



OVERVIEW OF SOTERIA ENGAGEMENT

SOTERIA ENGAGEMENT

- Engaged the services of Soteria for a minimum of six months to provide the following:
 - Assessment of Existing Security Plan
 - Determine Skills Gaps and Recruiting Strategy
 - Provide Guidance on Plan of Action and Milestones
 - Provide Recommendations for Improvements to Security Posture

911 FISCAL MODEL



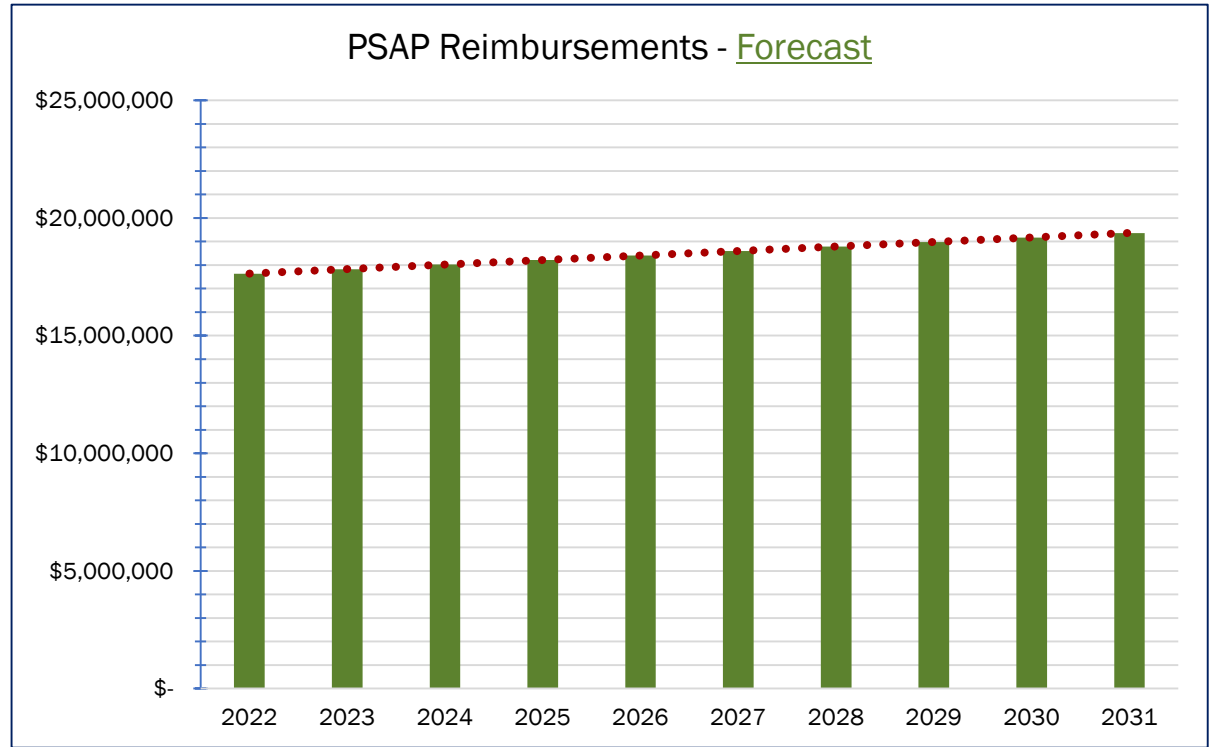
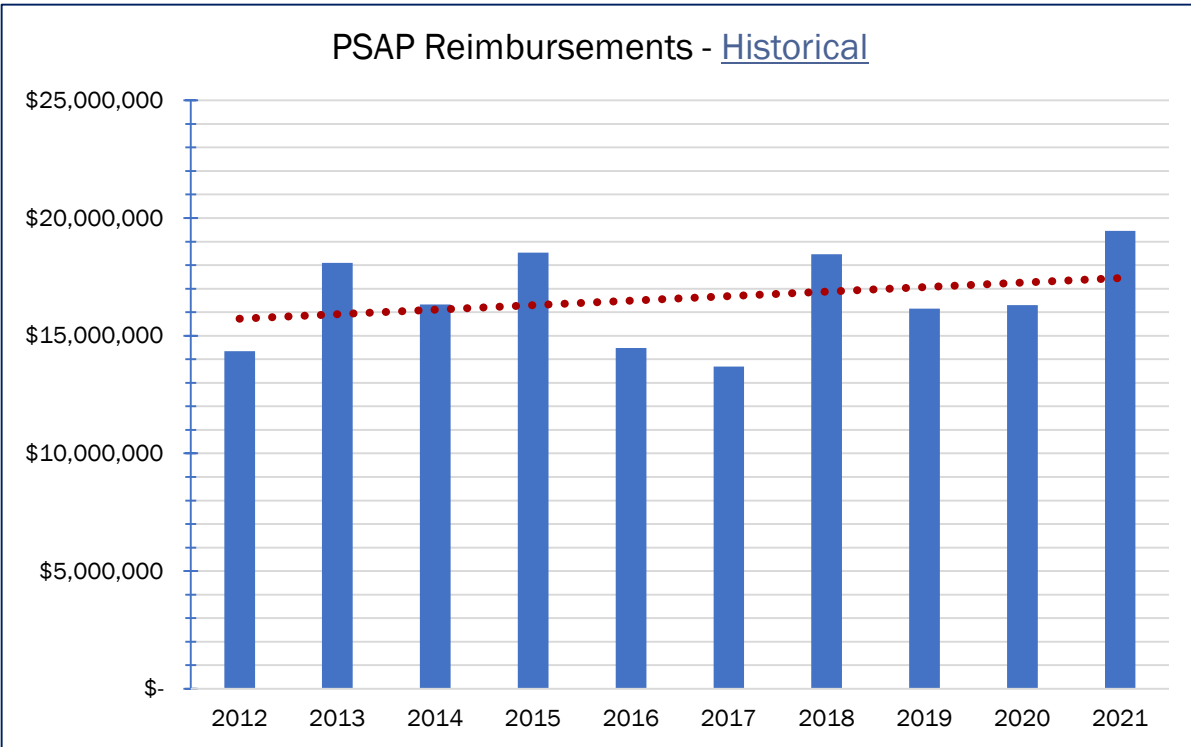
ANALYSIS OF PSAP REIMBURSEMENT PROJECTIONS

- Working with our economists on staff, we analyzed the annual growth rate of cost reimbursements to PSAPs from 2012 - 2021
 - Adjusted 2012 – 2014 data to account for lower reimbursement percentage
 - Used compound average growth rate (CAGR) to account for annual volatility
 - Net result: CAGR of -0.9% over 10-year period
- We updated our fiscal model projections with the expanded historical data for a more accurate linear trend
 - Net result: 10-year annual average growth rate (AAGR) of 1.0%
 - Difference between historical and projected growth (1.9%) accounts for potential of short-term higher inflation (historically at 1.7%) yet allows for some offsets as the State assumes more costs

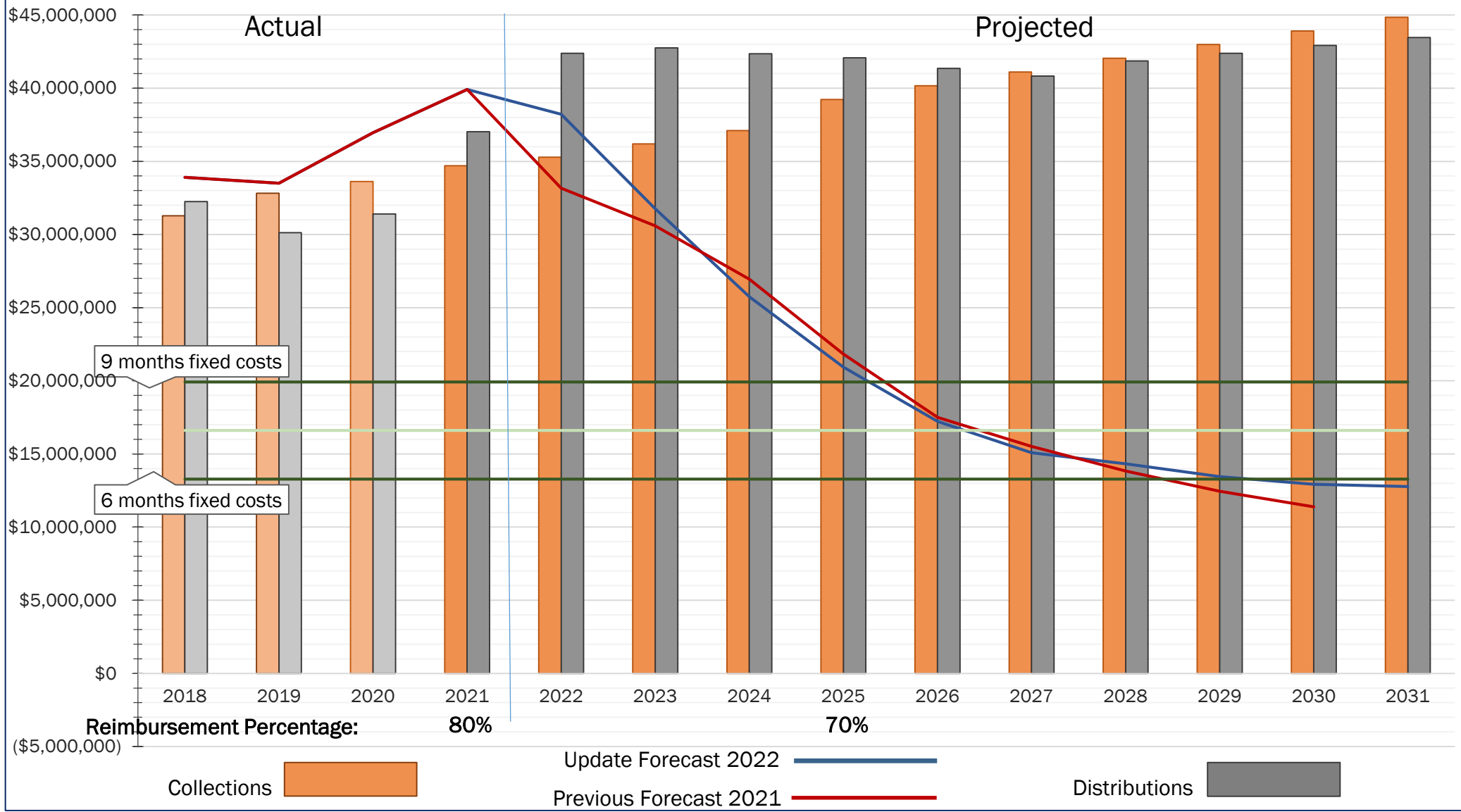


PSAP Reimbursements	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
actual	\$ 14,338,196	\$ 18,093,528	\$ 16,324,228	\$ 18,534,412	\$ 14,474,146	\$ 13,697,316	\$ 18,457,166	\$ 16,147,034	\$ 16,300,869	\$ 19,456,860
									CAGR:	-0.9%

PSAP Reimbursements	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
forecast	\$ 17,636,536	\$ 17,828,202	\$ 18,019,868	\$ 18,211,533	\$ 18,403,199	\$ 18,594,865	\$ 18,786,530	\$ 18,978,196	\$ 19,169,861	\$ 19,361,527
									AAGR:	1.0%



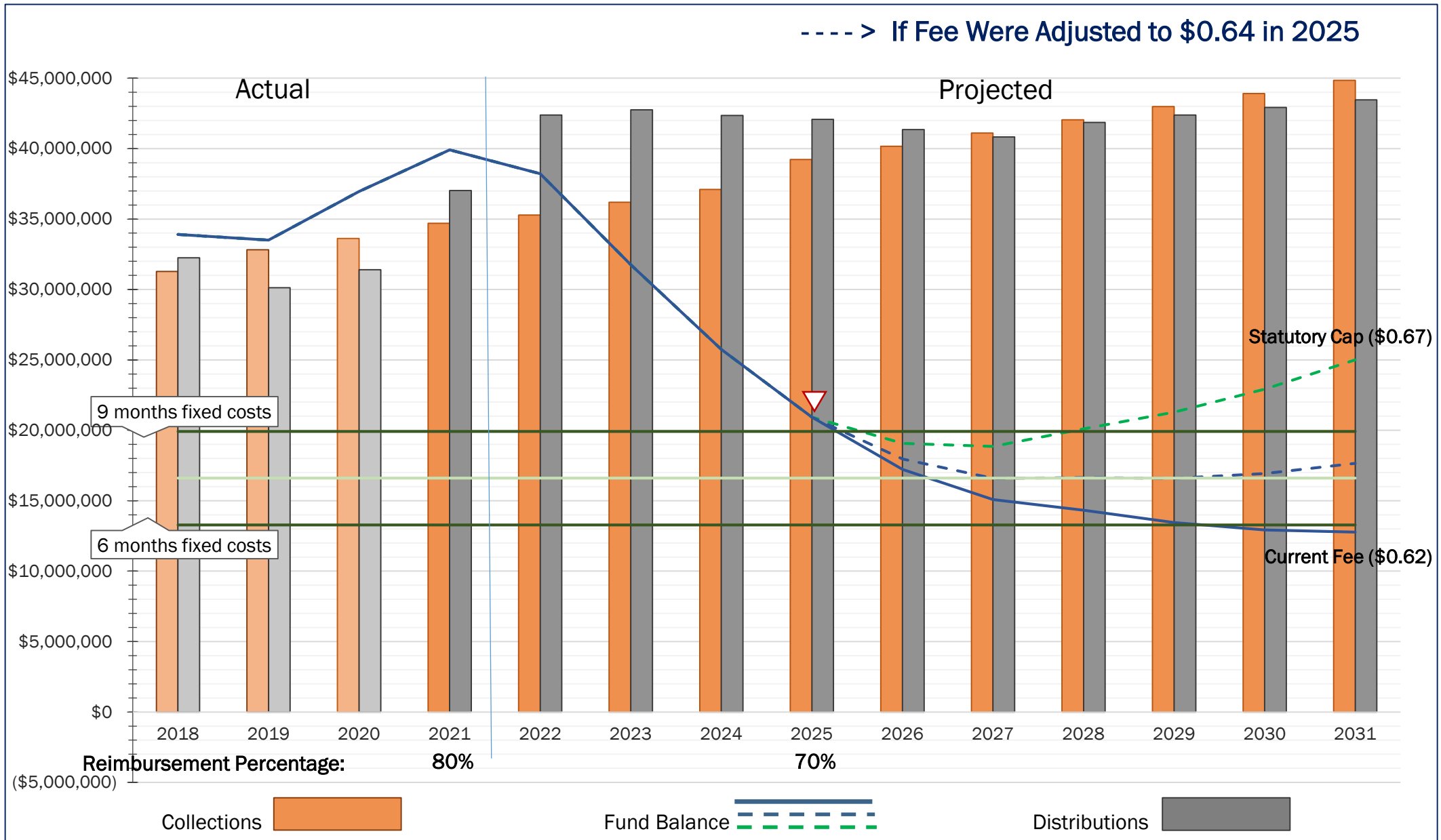
Impact of Revised Forecast on Projected Fund Balance at Current Fee



UPDATES TO THE FISCAL MODEL FOR 2022

- We began calendar year 2022 with a fund balance of approximately \$38.2 million and incorporated the following into our ten-year projections...
 - Potential costs for statewide outage notification system
 - Additional costs in 2023 and 2024 for new consolidated Richland County PSAP
 - Updated revenue and cost forecasts based on longer-range historical trends
- Consequently, the updated fiscal model would allow the following options:
 - Reduce the reimbursement percentage once to 70% (now in 2025)...
 - Assuming we continue with the wireless fee increase to \$0.64 (now in 2025)
- These options are reflected in the following graph





▽ Potential Fee Adjustment

COASTAL ESINET DISCUSSION

- The Coastal Cooperative has entered into a 5-year contract for an ESInet
 - Includes the counties of Beaufort, Berkeley, Charleston, Georgetown, and Horry
 - Request submitted to the 911 Advisory Committee to include the cities of Goose Creek, Hanahan, and Summerville
- The 911 Advisory Committee and RFA support this request from an operational standpoint because these cities reside within the boundaries of the Coastal ESInet counties
- The addition of these cities to the Coastal ESInet does not impact the fiscal model



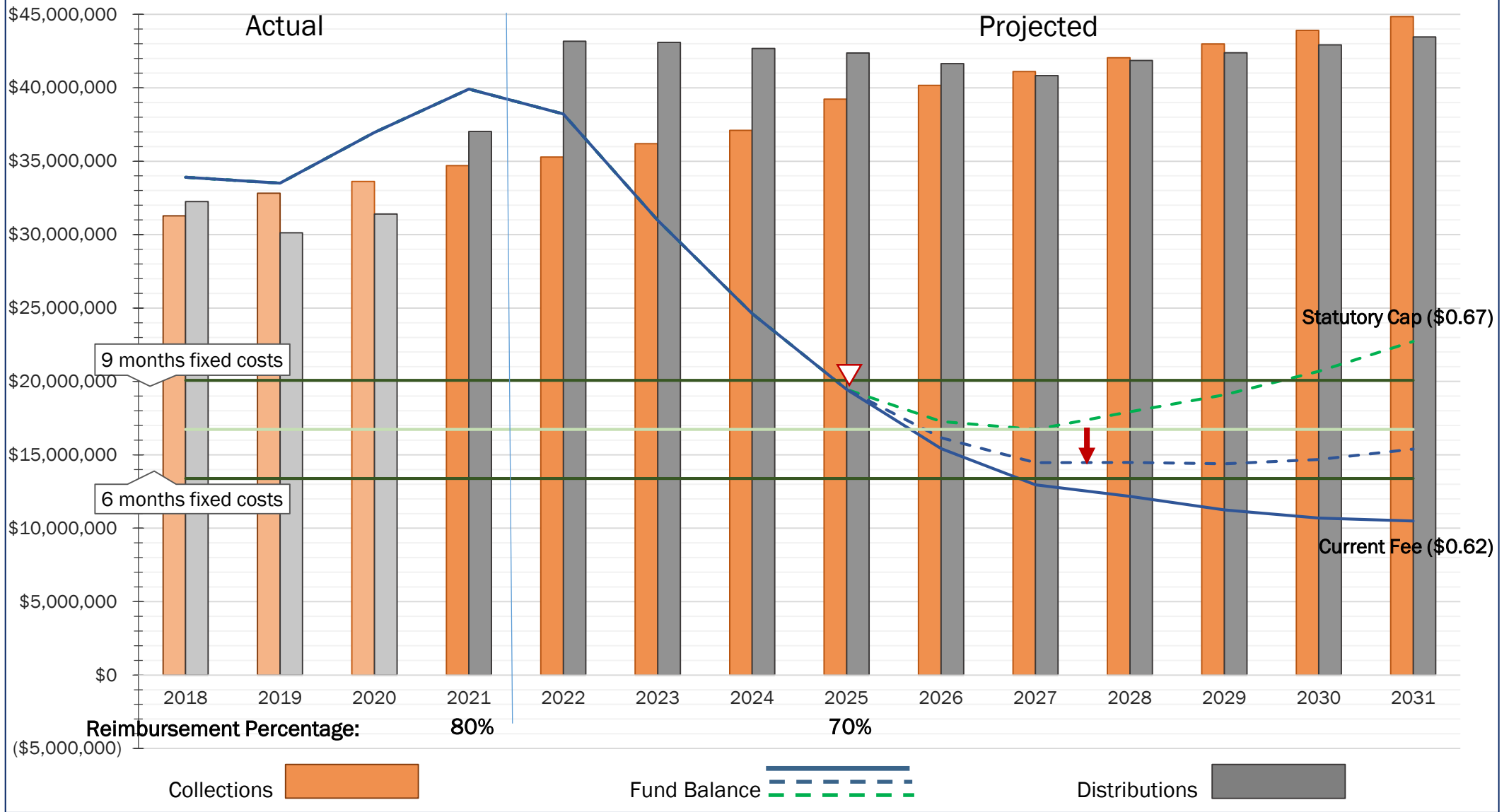
COASTAL ESINET DISCUSSION

- The Coastal Cooperative is also planning to submit the following request to the 911 Advisory Committee:
 - Reimbursement at 100% of their ESInet costs for the duration of their contract
- RFA does not support this request due to the significant impact on the fiscal model, as indicated in the following graphs...



Effect of changing to 100% reimbursement for the Coastal ESInet

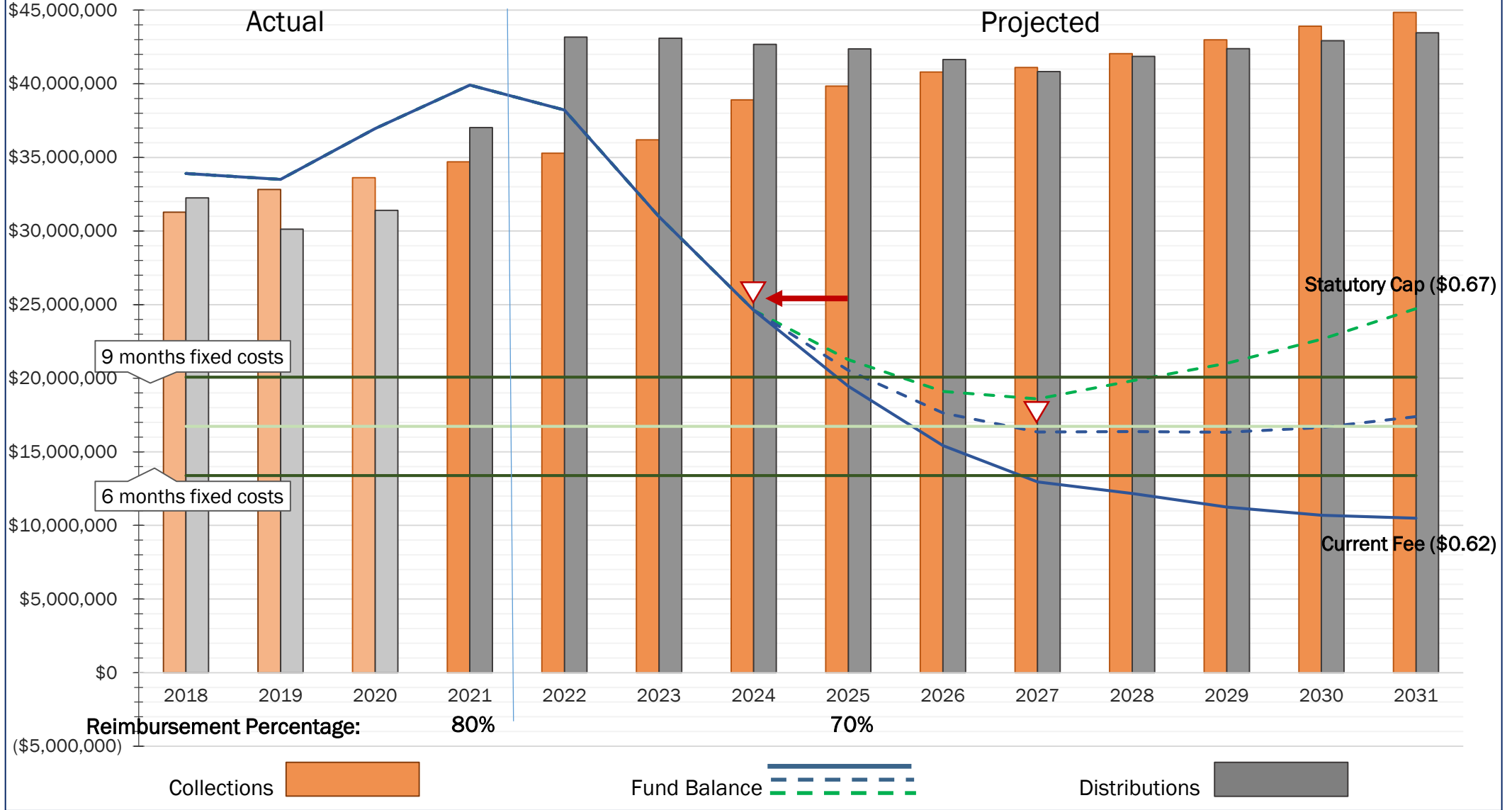
----- > If Fee Were Adjusted to \$0.64 in 2025



▽ Potential Fee Adjustment

Requires increasing the fee higher and sooner

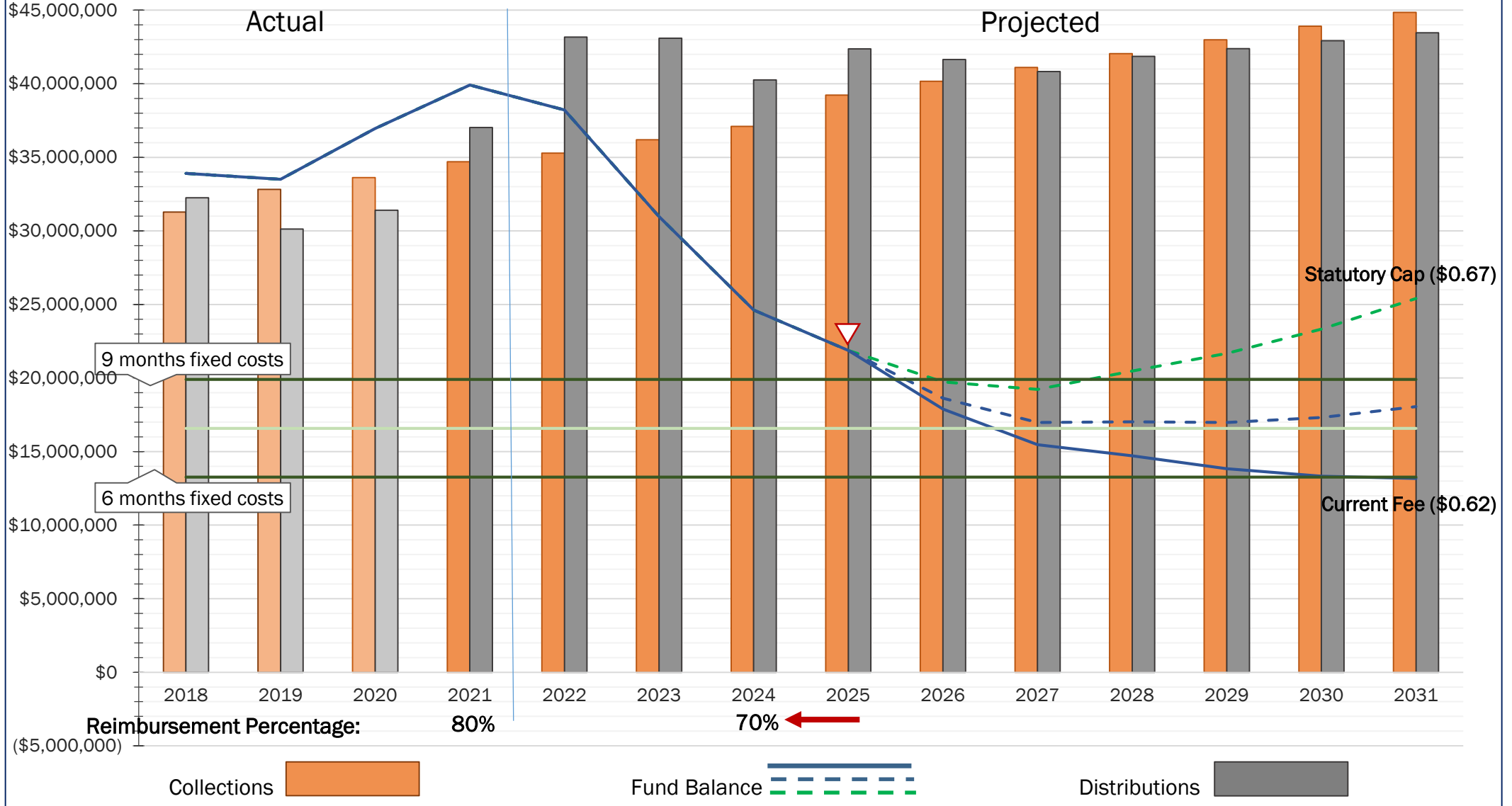
----- > If Fee Were Adjusted to **\$0.65** in 2024 / \$0.64 in 2027



▽ Potential Fee Increase

Or you can reduce reimbursement % sooner and leave the fee increase alone

----> If Fee Were Adjusted to \$0.64 in 2025



▽ Potential Fee Increase

IN SUMMARY

- Changing the reimbursement from 80% to 100% for the Coastal ESInet has a significant impact on the fiscal model forecasts
- At this time, we do not anticipate the need for the Board to take any action until November 2024 for the calendar year 2025 unless the request for 100% reimbursement to the Coastal ESInet is approved
- Although the fiscal model currently indicates an increase in the fee and a reduction in the reimbursement percentage in 2025 (requiring Board action in November 2024), these estimates may change over the course of the next 18 months as we attain more data



PROJECT HIGHLIGHTS

RESULTS FOR AMERICA RECOGNITION

- The *2021 Invest in What Works State Standard of Excellence* was recently released
- South Carolina was considered a ‘promising example’ in 4 of the 16 categories:
 - Data Leadership and Governance: The proviso that mandates RFA to collect and integrate data
 - Data Infrastructure: RFA’s integrated data system that allows the agency to efficiently collect, inventory, and share data
 - Data Use: Use of the integrated data system has facilitated program improvement efforts
 - Results-focused Contracting: Improved outcomes by combining and analyzing data to inform decisions

ELECTRONIC HEALTHCARE NETWORK ACCREDITATION COMMISSION

RFA, as the health information exchange operator, scored a 97% passing rate on an audit of the SC Health Information Exchange (SCHIEEx) by the Electronic Healthcare Network Accreditation Commission (EHNAC). The audit measures the agency's compliance with HIPAA, ARRA-HITECH, and other select state and federal rules and regulations as well as ensures adherence to privacy, security, confidentiality, and data management standards. The accreditation is valid for two years.

OPIOID LAWSUIT – SUBPOENAS AND DATA REQUESTS

RFA was contacted to provide data for civil suits initiated by Beaufort, Lexington, and Greenville counties to recover damages for inappropriate opioid dispensing from multiple retail pharmacies.

- Hospital Claims Data
- PEBA
- Medicaid

**PERSONNEL MATTER
REAPPOINTMENT OF EXECUTIVE DIRECTOR
FOR FOUR-YEAR TERM
PURSUANT TO SOUTH CAROLINA CODE OF LAWS §11-9-840(A)**



OTHER BUSINESS

